

Education and Workforce Development Cabinet

Kentucky's unemployment rate down in January 2014

Press Release Date: Thursday, March 06, 2014

Contact Information:

FRANKFORT, Ky. (March 6, 2014) — Kentucky's seasonally adjusted preliminary unemployment rate slid to 7.7 percent in January 2014 from a revised 7.9 percent in December 2013, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary January 2014 jobless rate was .5 percentage points below the 8.2 percent rate recorded for the state in January 2013.

The U.S. seasonally adjusted jobless rate went down to 6.6 percent in January 2014 from 6.7 percent in December 2013, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In January 2014, Kentucky's civilian labor force was 2,045,710, an increase of 3,073 individuals compared to the previous month. Employment was up by 6,961, while the number of unemployed decreased by 3,888.

"Labor force participation has slipped both nationally and in Kentucky. The good news at the start of the year is that employment has grown faster than the labor force causing the unemployment rate to be the lowest since October 2008. Our unemployment rate has dipped below 8 percent for two consecutive months," said economist Manoj Shanker of the OET.

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment decreased by 18,500 jobs to 1,827,400 in January 2014 from the previous month. On an over-the-year basis, the state's nonfarm employment has dropped by 5,200 jobs.

"The January nonfarm data fell precipitously not so much from a slowdown in the economy, but from unusually strong gains in November and December. When the data was seasonally adjusted it caused almost all sectors to show atypical changes," said Shanker. "The statistical explanation in this case is that the smoothing algorithm that BLS uses caused nonfarm employment to drop uncharacteristically."

Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, four of Kentucky's 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while seven declined.

Kentucky's construction sector posted an increase of 2,600 positions in January 2014 from a month ago. Since January 2013, employment in construction has risen by 500 jobs.

The government sector, which includes public education, public administration agencies and state-owned hospitals, gained 1,100 jobs in January 2014. The sector had 2,000 more jobs compared to January 2013.

The number of jobs in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, was up by 700 positions in January 2014. Compared to a year ago, 900 jobs have been added.

Employment in the mining and logging sector rose by 100 from December 2013 to January 2014. The number of jobs in this sector has dropped by 300 since last January.

The state's leisure and hospitality sector posted a decline of 100 jobs in January 2014. Since January 2013, the sector has decreased by 1,900 positions. This sector includes arts, entertainment, recreation, accommodation and food services.

The information sector decreased 200 positions in January 2014. This segment has declined by 500 positions since January 2013. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

The educational and health services sector dropped 800 positions in January 2014. The sector has gained 700 jobs since January 2013.

The financial activities sector lost 1,300 jobs in January 2014. Compared to January a year ago, businesses involved in finance, insurance, real estate and property leasing have decreased by 1,900 jobs.

The state's manufacturing sector shrunk by 3,400 positions in January 2014. Since January 2013, employment in manufacturing has fallen by 3,000 jobs.

Kentucky's trade, transportation and utilities sector went down by 4,300 jobs in January 2014. This is the largest sector in Kentucky with 366,500 positions, and accounts for about 20 percent of nonfarm employment. Since January 2013, jobs in this sector have declined by 2,300.

The state's professional and business services sector lost 12,900 jobs in January 2014. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services. Since last January, jobs in the sector have increased by 600.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about Kentucky labor market information at www.kylmi.ky.gov.